

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7206

BILL NUMBER: HB 1503

NOTE PREPARED: Jan 10, 2011

BILL AMENDED:

SUBJECT: Prior Approval for Medicaid.

FIRST AUTHOR: Rep. Bacon

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
DEDICATED
X FEDERAL

IMPACT: State

Summary of Legislation: This bill requires the Office of Medicaid Policy and Planning (OMPP) to establish and implement a procedure to allow a nursing home resident to seek prior approval for the Medicaid program when the individual's assets are not more than \$5,000. The bill sets forth the procedure for OMPP to follow and the individual to follow to receive preapproval and final approval to receive Medicaid. The bill requires OMPP to apply for federal approval if OMPP deems federal approval is necessary.

Effective Date: July 1, 2011.

Explanation of State Expenditures: The fiscal impact of this bill would be related to administrative resources -- information technology systems and caseworker staffing needed to perform a preapproval for Medicaid eligibility and then to subsequently issue a final approval. The fiscal impact is not known at this time. The bill would not affect the cost of Medicaid Plan services since once Medicaid eligibility is determined, there is a three-month look back period (Medicaid reimburses for services provided up to 90 days before the eligibility determination date).

The bill requires OMPP to implement a procedure to allow a resident of a nursing facility to submit an application for Medicaid when the individual has assets in excess of the eligibility requirements. The application is then to be reviewed to determine if the individual meets all Medicaid eligibility requirements with the exception of the asset limitation. The bill requires that the application may not be denied on the sole basis that the assets exceed the allowable limits. This would require that Medicaid applications be left in a pending or suspense file extending the processing time for these long-term care Medicaid applications. Federal standards require applications be processed within 45 or 90 days depending on the type of application. Pending applications waiting for individuals to spend down would be problematic with regard

to the application processing time standards.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: OMPP and DFR, FSSA.

Local Agencies Affected:

Information Sources:

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